

ultimately performs the 800 query and routing, the fact remains that final responsibility for the call resides with the carrier from whose central office the call originates (although in jointly provisioned services of this nature, issue resolution often requires both parties).

In the scenario described above, the carrier from whose central office the call originates simply purchases the query and routing functions from the neighboring carrier at the neighboring carrier's tariffed query rate. These per query costs then become components of the query rate charged by the originating carrier. The originating carrier can pass through the neighboring carrier's rate adjusted for additional administrative costs the originating carrier might incur. The originating carrier could also use the relevant tariffed query rate and related query demand of the neighboring carrier to develop a blended rate which it would then reflect in its own tariff.

In developing its 800 query rates, United did not know what rates would be filed by neighboring carriers whose tandems would provide SSP functionality for some United offices. United assumed the neighboring carriers' rates would be similar to United rates. Based on this assumption, United filed a single query rate for study areas that included exchanges subtending a neighboring carrier's SSP-equipped tandem. The United rate was based on its own costs and demand, excluding the demand associated with subtending exchanges. When rates are finalized

in this proceeding, United will determine if its query rate is substantially different from the rate being charged by carriers whose SSP offices United subtends. If the rates are significantly different, United will amend its current 800 data base access tariff to identify exchanges subtending other carriers' SSP-equipped tandems. The 800 data base query rates for calls originating from these subtending offices will, at that point, reflect the charges assessed to United by the neighboring carrier.

22. Should rate changes by the SCP owner be flowed through to the rates of the subtending (originating) LEC?

**UNITED RESPONSE:** The subtending carrier should have an opportunity to justify any rate it proposes.

### **III. RESPONSES TO APPENDIX A OF THE ORDER**

#### **A. Unit Cost and Investment Information**

**UNITED RESPONSE:** See the attached spreadsheets.

#### **B. Jurisdictional Separations**

**UNITED RESPONSE:** The attached spreadsheets identify gross investments and jurisdictionalized costs, per Part 36 of the Commission's Rules, as requested in Appendix A, Section II. It is important to note that United did not jurisdictionally allocate costs to develop its 800 data base access rates because the costs do not vary by jurisdiction. An intrastate query costs neither more nor less than an interstate query. United spread its 800 data base costs equally among all queries.

**C. Demand**

**UNITED RESPONSE:** See the attached spreadsheets.

**D. Other**

1. If a discount rate is used in your demand calculations, explain the rationale for use of this rate.

**UNITED RESPONSE:** United used 11.25% as its discount rate for levelizing both costs and demand. This discount rate is appropriate because it is the interstate rate of return authorized by the Commission.

2. If you based your demand growth assumptions completely on past performance, explain why the introduction of 800 data base service will have no effect on the growth rate for 800 query demand for your company.

**UNITED RESPONSE:** See response to Question 18 in Section II, C above.

3. Explain how the demand assumptions were used in your ratemaking methodology.

**UNITED RESPONSE:** See response to Question 18 in Section II, C above. Also see Exhibit C.

4. Provide the annual costs for all expenses related to the SMS/800 incurred pursuant to contracts with Bellcore, Data Services Management, Inc., or any other entity. Provide the terms of the contract and an explanation of how the annualized amount is calculated.

**UNITED RESPONSE:** United's 800 data base query rates reflect an initial \$2,250,000 right-to-use fee assessed by Bellcore's 800 Number Administration and Service Center. This initial software fee has been amortized over five years. In addition, Bellcore will assess United an average of \$423,016 annually in data base

fees, which United will expense in the year the costs are incurred. These fees are rendered by Bellcore to data base owners pursuant to an Ameritech tariff, which is currently under investigation. Terms of the contract are explained in response to Question 14(6), Section II, C above.

5. Provide cost detail, by account, associated with upgrading the SSPs for 800 data base service and justify why those upgrades should be treated as exogenous costs.

**UNITED RESPONSE:** See spreadsheet A3. Also, see response to Question 11, Section II, C above.

6. If overhead costs were included as exogenous costs in your initial filing, justify why those costs should be treated as exogenous costs.

**UNITED RESPONSE:** See response to Question 12, Section II, C above.

7. If signaling link costs between local STPs and regional STPs are included as exogenous costs, justify why those costs should be treated as exogenous costs.

**UNITED RESPONSE:** See response to Question 14 (5), Section II, C above.

8. If costs for regional or local STPs are included as exogenous costs, justify why those costs should be treated as exogenous costs.

**UNITED RESPONSE:** See response to Question 14 (4), Section II, C above.

9. For each of your company's SCPs, list and describe each service that is supported by that SCP (i.e., 800 data base, LIDB, virtual private networks, wide area Centrex or unrelated administrative functions). Provide a diagram of the equipment in an SCP installation typical for your company.

**UNITED RESPONSE:** United has deployed a mated pair of SCPs -- one in Johnson City, Tennessee, and the other in the neighboring city of Bristol, Tennessee. The SCPs were deployed as a mated pair for redundancy to enhance service survivability. All the United local exchange carriers access the SCP to provide data base services. The data base services are 800 Data Base Access Service, Line Information Data Base Service (LIDB), and a future Calling Name Delivery. A diagram of the United SCP installation is attached as Exhibit D.

800 Data Base Access Service -- 800 Data Base Access Service is described in detail in section "1.2 Service Description" (pages 1-2 through 1-5) of the D&J accompanying United Transmittal No. 316.

Line Information Data Base Access Service (LIDB) -- LIDB Access Service provides for customer access to billing validation data residing on United's data base for their use with alternate billing services. This access allows customers to validate United calling cards, and other exchange carrier calling card data which may be resident there, and to screen billing numbers for collect call and/or third number call acceptance.

Calling Name Delivery -- Calling Name Delivery permits a customer receiving a call to identify the name of the party placing the call.

10. If costs for the SCP are allocated among the functions described above, explain your allocation procedures and provide your allocation factors and how these factors were derived.

**UNITED RESPONSE:** See Exhibit C. Also see the United response to Question 16, Section II, C, above. Regarding allocation factors, United performed engineering studies to determine the length of a transaction for each type of data base service. The length of a transaction is the elapsed time between the launch of a query from a local switch and receipt of a data base response at the switch. The engineering studies produced the following factors:

- 800 Query: 1
- LIDB Query: 1.018
- Calling Name Delivery: 3

Demand for each service was weighted by a service's corresponding factor to ensure that SCP costs were apportioned equitably.

#### **IV. PARTIAL SUSPENSION OF UNITED'S RATES WAS UNJUSTIFIED**

As noted above, the Bureau's April 28, 1993, order held that United's rates were "anomalously high because they exceeded the industry mean rate plus one standard deviation."<sup>10</sup> The Bureau ordered United to reduce its per-query rate to .0067 cents. The Bureau based its conclusion on the simplistic observation that "all LECs are deploying similar data bases."<sup>11</sup> The order made no mention of the cost and demand data United submitted in support of its Transmittal No. 316. Also as noted above, United asked

---

10. Suspension Order at 7-8.

11. Id. at 8.

that the Commission stay the partial suspension and to reconsider the order on an emergency basis. The requests were never officially acknowledged. On the basis of its originally filed cost and demand data and the additional information provided in this direct case, United asks the Bureau to reconstitute United's query rates to the levels originally filed.

The Bureau's observation that "all LECs are deploying similar data bases" is correct. That is, the cost characteristics of the data base systems are similar. However, this reasoning completely ignores the demand side of the equation and United-specific costs.

If one assumes that costs are similar across data base systems, significant demand differences among carriers would result in significant variances in per-unit costs. That is, a carrier with demand significantly lower than the industry average would realize per-query rates proportionately higher than the industry average. This is precisely where the United companies find themselves. United's per-query rate is 2.27 times higher than the industry mean. However, the industry's mean demand is 2.69 times greater than United's demand. Said another way, if United's demand is normalized at the mean for all data base owners, the mean rate for all the United companies would be approximately .0035 cents per query, which is well below the industry mean rate. It is also important to note that United's


base year demand (levelized over five years) is reasonable by any measure in comparison with the industry's demand. For example, the mean demand for data base owners is 160.8 queries per access line. United's base year demand is 181 queries per access line.

Furthermore, notwithstanding that similar systems are being deployed, there may very well be costs unique to United. For example, United has reviewed the other LECs tariff filings and can not determine if local carriers other than NYNEX and United have paid right-to-use fees to Bellcore to be 800 data base owners/operators. United's right-to-use fee, which entitles United to receive downloads of 800 Information Records from the national SMS database, was \$2,250,000. While NYNEX's tariff filing indicated that the company paid a right-to-use fee, NYNEX's cost was less than half that of United's.

Respectfully submitted,

UNITED TELEPHONE COMPANIES

By:

  
Jay C. Keithley  
1850 M Street, N.W.  
Suite 1100  
Washington, D.C. 20036  
(202) 857-1030

ITS ATTORNEY

September 20, 1993



**SERVICE CONTROL POINTS (SCP)****Expenses - Common**

*Test Support*  
*Maintenance*  
*Application Software*

**Investment - Common**

*Hardware (DEC SCP 6310/6510)*  
*Initial Software/Right-to-Use Fee*  
*Installation*  
*Loading and Acceptance*

**Expenses - 800 Data Base Specific**

*800 Data Base Application Software*  
*800 Data Base Software Maintenance*

**Investment - 800 Data Base Specific**

*Initial Software/Right-to-Use Fee*  
*Installation*  
*Loading and Acceptance*

Five-year Total Expenses \$ 7,815,989  
Levelized \$ 6,543,065

Five-year Total Investment \$ 9,972,446  
Levelized \$ 9,192,950

**SERVICE MANAGEMENT SYSTEM (SMS)****Expenses - 800 Data Base Specific**

*Data Base Fee*  
*Translation and Validation*  
*Communications Services*

**Investment - 800 Data Base Specific**

*Right-to-Use Fee*

Five-year Total Expenses \$ 1,764,893  
Levelized \$ 1,397,487

Five-year Total Investment \$ 2,250,000  
Levelized \$ 2,250,000

**SMS-TO-SCP LINKS****Expenses - 800 Data Base Specific**

*Number Administrative Service Center (SMS-to-SCP) Links*

Five-year Total Expenses \$ 80,000  
Levelized \$ 61,982

**STP-TO-SCP LINKS****Expenses - Common**

*C-Links*

Five-year Total Expenses \$ - 0 -  
Levelized \$ - 0 -

**REGIONAL STPs****Expenses - Common***Software**Intelligent Network Operating Expenses*

Five-year Total Expenses \$ 3,245,000

Levelized \$ 2,648,531

**Investment - Common***Hardware*

Five-year Total Investment \$ 6,023,160

Levelized \$ 5,460,090

**END OFFICE 800 DATA BASE SOFTWARE****(Company Specific)****Expenses - 800 Data Base Specific***Software*

Five-year Total Expenses \$ 1,408,164

Levelized \$ 1,335,068

**LOCAL STP PORTS****(Company Specific - FL, NC, OH/IN, PA)****Expenses - 800 Data Base Specific***No expenses associated with**800 Data Base***Investment - 800 Data Base Specific***Hardware*

Five-year Total Investment \$ 192,000

Levelized \$ 192,000

**LOCAL STP TO REGIONAL STP LINKS****(Company Specific)****Expenses - Common**

Five-year Total Expenses \$ 2,610,756

Levelized \$ 2,006,450

NORTHERN TELECOM

GFX554AA  
ISSUED: 91 04 05  
RELEASE: 01.05 STANDARD

DIGITAL SWITCHING SYSTEMS  
DMS\*-100 FAMILY  
GENERAL FEATURE DESCRIPTION  
NTX554AA - SS7 - E800/SSP

\* DMS is a trademark of Northern Telecom

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## 2. FUNCTIONAL DESCRIPTION

### FEATURE PACKAGE SYNOPSIS

#### Overview

2.01 800 Service is an interexchange service in which the called party, rather than the calling party, subscribes to the service and pays for toll calls. The service provides businesses and other organizations with a means of providing potential customers, or other persons with whom they wish to communicate, a convenient and free method of contacting them. An 800 Service subscriber may choose to accept incoming calls from any telephone in the country or may decide to limit the service coverage to telephones in specific state or other geographic areas.

2.02 800 Service that uses Common Channel Signaling Number 7 (CCS7) is called E800/SSP Service. Offices offering E800/SSP Service must be configured as Service Switching Points. An SSP is an office that can support special application services such as E800/SSP.

Note: Within this document, the term CCS7 is used. Different standards organizations have used the terms CCS7 and Signaling System Number 7 (SS7). In this document, SS7 can substitute for CCS7.

2.03 E800/SSP Service is the first CCS7-based Network Signaling Service introduced in the DMS-100 Family. The NTX554AA feature package is currently made up of one feature, F5674, E800, which provides E800/SSP service.

2.04 F5674 implements phase one of E800/SSP Service, which supports simple database query, response, and termination information with an Operating Company database located at a Service Control Point (SCP).

### FEATURE PACKAGE DEPENDENCIES

2.05 The following feature packages are required for E800/SSP Service:

- \* NTX000AA - Bilge
- \* NTX001AA - Common Basic
- \* NTX270AA - New Peripheral Maintenance Package
- \* NTX580AA - SS7 - Transaction Service Support.

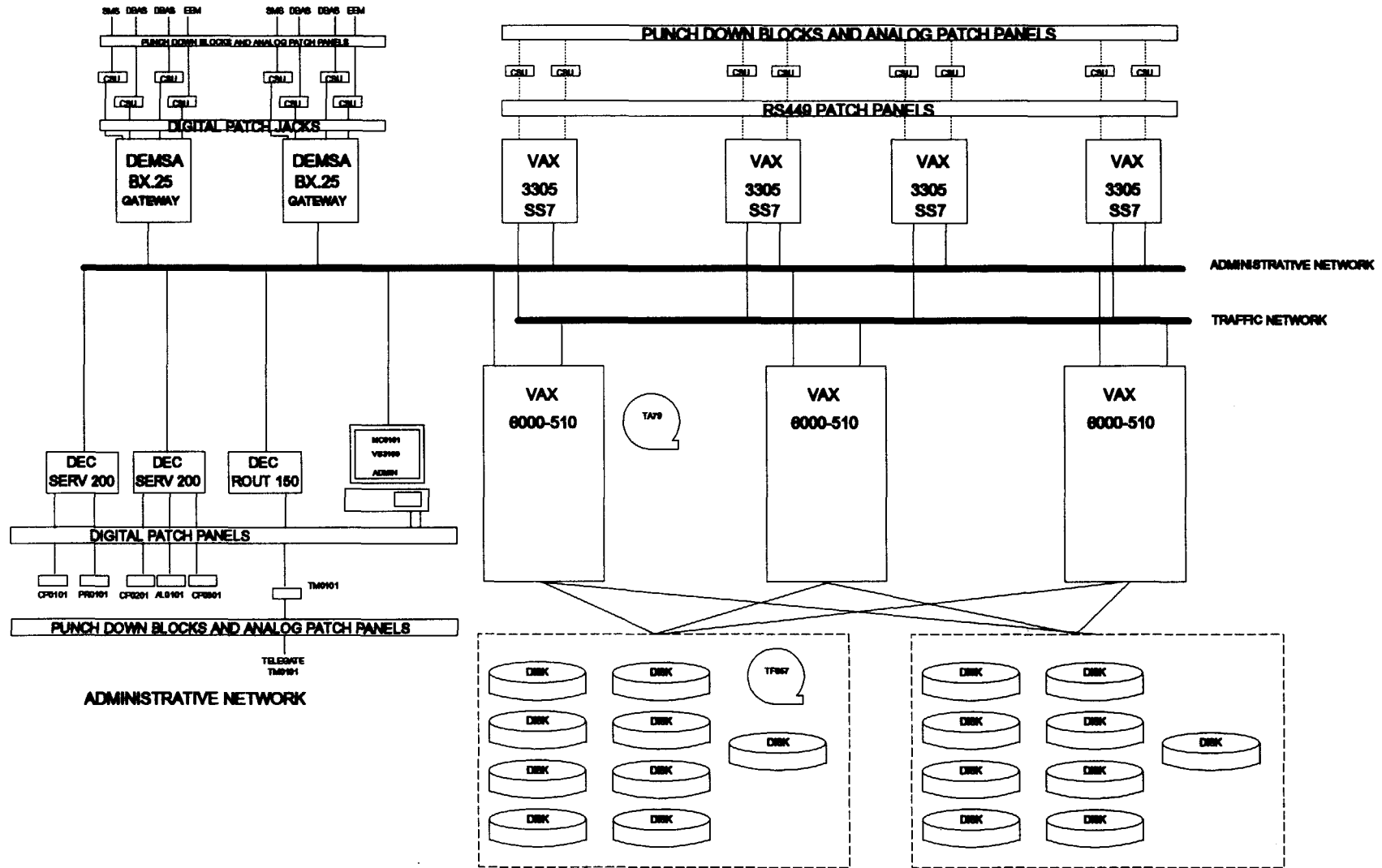
In an equal access end office, NTX186AA - Equal Access End Office is also required.

# ALLOCATION OF COMMON AND DIRECT COSTS

## EXHIBIT C

<u>COST POOL</u>		<u>ALLOCATION METHOD</u>		<u>UNIT COST</u>	<u>TOTAL COST PER 800 DB QUERY</u>
☎ SCP	▪ Common	+	Total SCP Queries ▪ 800 DB Queries ▪ LIDB Queries ▪ Other Queries	= Cost Per SCP Query	→
	▪ 800 DB Specific	+	Total 800 DB Queries	= Cost Per 800 DB Query	→
☎ SMS	▪ 800 DB Specific	+	Total 800 DB Queries	= Cost Per 800 DB Query	→
☎ SMS-TO-SCP LINKS	▪ 800 DB Specific	+	Total 800 DB Queries	= Cost Per 800 DB Query	→
☎ STP-TO-SCP LINKS	▪ Common	+	Total SCP Queries ▪ 800 DB Queries ▪ LIDB Queries ▪ Other Queries	= Cost Per SCP Query	→
☎ REGIONAL STPs	▪ Common	+	Total STP Demand ▪ Total SCP Queries ▪ Trunk Signalling	= Cost Per STP Transaction	→
☎ EO 800 DB SOFTWARE	▪ 800 DB Specific	+	800 DB Queries ▪ Company Specific	= Cost Per 800 DB Query ▪ Company Specific	→
☎ LOCAL STP PORTS	▪ 800 DB Specific	+	800 DB Queries ▪ Company Specific	= Cost Per 800 DB Query ▪ Company Specific	→
☎ LOCAL TO REG. STP LINKS	▪ Common	+	SCP Queries ▪ Company Specific • 800 DB Queries • LIDB Queries • Other Queries	= Cost Per SCP Query ▪ Company Specific	→

## SPRINT LTD SCP CONFIGURATION



INFORMATION REQUEST FOR 800 DATABASE SERVICE EXOGENOUS COSTS

United Telephone - Florida	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	Land Acct 2111	Buildings Acct 2121	General Purpose Computers Acct 2124	Analog Switching Acct 2211	Digital Switching Acct 2212	Radio System Acct 2231	Circuit Equipment Acct 2232	Other Terminal Equipment Acct 2362	Poles Acct 2411	Aerial Cable Acct 2421	Underground Cable Acct 2422	Buried Cable Acct 2423	IntraBldg Network Cable Acct 2426	Aerial Wire Acct 2431	Conduit Systems Acct 2441	Total
I. Unit Cost and Investment																
STP/SCP Signalling Link																
Unit Investment	None	None	None	None	0.003610	None	None	None	None	None	None	None	None	None	None	0.0036100
Unit Costs																
Depreciation					0.000722											0.0007218
Net Return					0.000203											0.0002031
Federal Income Tax					0.000106											0.0001046
State & Local Income Tax					0.000018											0.0000177
Maintenance					0.000821											0.0008215
Administration					0.000229											0.0002286
Other Tax					0.000036											0.0000360
Other Direct Expense					None											None
Overhead Loadings					None											None
Total					0.001934											0.0019336
Local STP/Regional STP Signalling Link																
Unit Investment					0.000170											0.0001700
Unit Costs																
Depreciation					0.000034											0.0000340
Net Return					0.000010											0.0000085
Federal Income Tax					0.000005											0.0000049
State & Local Income Tax					0.000001											0.0000005
Maintenance					0.000029											0.0000283
Administration					0.000011											0.0000108
Other Tax					0.000002											0.0000007
Other Direct Expense					0.000106											0.0001056
Overhead Loadings					None											None
Total					0.000197											0.0001968
SCP/BMS Signalling Link																
Unit Investment																None
Unit Costs																
Depreciation					None											None
Net Return					None											None
Federal Income Tax					None											None
State & Local Income Tax					None											None
Maintenance					0.000044											0.0000436
Administration					None											None
Other Tax					None											None
Other Direct Expense					0.000215											0.0002140
Overhead Loadings					None											None
Total					0.000259											0.0002585
SCP																
Unit Investment					0.009140											0.0091400
Unit Costs																
Depreciation					0.001827											0.0018274
Net Return					0.000514											0.0005148
Federal Income Tax					0.000265											0.0002648
State & Local Income Tax					0.000045											0.0000448
Maintenance					0.001573											0.0015734
Administration					0.000579											0.0005784
Other Tax					0.000081											0.0000813
Other Direct Expense					None											None
Overhead Loadings					None											None
Total					0.004696											0.0046955
Tandem Switch																
Unit Investment																None
Unit Costs																
Depreciation																None
Net Return																None
Federal Income Tax																None
State & Local Income Tax																None
Maintenance																None
Administration																None
Other Tax																None
Other Direct Expense																None
Overhead Loadings																None
Total																None



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	Land Acct 2111	Buildings Acct 2121	General Purpose Computers Acct 2124	Analog Switching Acct 2211	Digital Switching Acct 2212	Radio System Acct 2231	Circuit Equipment Acct 2232	Other Terminal Equipment Acct 2232	Poles Acct 2411	Aerial Cable Acct 2421	Underground Cable Acct 2422	Buried Cable Acct 2423	IntraBldg Network Cable Acct 2425	Aerial Wire Acct 2431	Conduit Systems Acct 2441	Total
SSP																
Unit Investment					None											None
Unit Costs																
Depreciation					None											None
Net Return					None											None
Federal Income Tax					None											None
State & Local Income Tax					None											None
Maintenance					None											None
Administration					None											None
Other Tax					None											None
Other Direct Expense					0.000751											0.0007505
Overhead Loadings					None											None
Total					0.000751											0.0007505

## II. Jurisdictional Separations

### STP/SCP Signalling Link

Total Investment					\$1,030,845											\$1,030,845
Total Company *					\$1,030,845											\$1,030,845
Subject to Separation **					\$1,030,845											\$1,030,845
State 800 Database **					\$771,184											\$771,184
State Other **					\$36,845											\$36,845
Interstate 800 Database **					\$208,035											\$208,035
Interstate Other **					\$10,801											\$10,801

Method of Assignment					Cat 3											
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### Local STP/Regional STP Signalling Link

Total Investment					\$48,000											\$48,000
Total Company *					\$48,000											\$48,000
Subject to Separation					\$48,000											\$48,000
State 800 Database					\$35,908											\$35,908
State Other					\$1,855											\$1,855
Interstate 800 Database					\$8,733											\$8,733
Interstate Other					\$503											\$503

Method of Assignment					Cat 3											
----------------------	--	--	--	--	-------	--	--	--	--	--	--	--	--	--	--	--

### SCP/SMB Signalling Link

Total Investment																None
Total Company																None
Subject to Separation																None
State 800 Database																None
State Other																None
Interstate 800 Database																None
Interstate Other																None

Method of Assignment																None
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### SCP

Total Investment *					\$2,544,415											\$2,544,415
Total Company *					\$2,544,415											\$2,544,415
Subject to Separation **					\$2,544,415											\$2,544,415
State 800 Database **					\$1,851,848											\$1,851,848
State Other **					\$50,150											\$50,150
Interstate 800 Database **					\$528,023											\$528,023
Interstate Other **					\$13,594											\$13,594

Method of Assignment					CAT 3											
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\* In actuality, these assets are owned by BUMC, not United Telephone—Florida. The investment dollars shown reflect the allocation of a portion of BUMC's investment to United of Florida, based upon Florida's query volumes.

\*\* The Commission's Part 36 and 68 Rules do not specify any cost allocation rules to disaggregate investment between 800 and other. The allocations shown in this exhibit were based on relative 800 and other (LDB & Calling Name) queries.

Florida	Ill. Demand	Total
	800 Database Queries	
	Stats 800 Database	
	State Other	
	Interstate 800 Database	
	Interstate Other	
	Base Period Demand	264,157,854
	Estimated Demand	1,357,463,488
	Time Period	5 Yrs
	Discount Rate	11.250%

INFORMATION REQUEST FOR 800 DATABASE SERVICE EXOGENOUS COSTS

United Telephone - Indiana	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	Land Acct 2111	Buildings Acct 2121	General Purpose Computers Acct 2134	Analog Switching Acct 2211	Digital Switching Acct 2212	Radio System Acct 2231	Circuit Equipment Acct 2232	Other Terminal Equipment Acct 2342	Poles Acct 2411	Aerial Cable Acct 2421	Underground Cable Acct 2432	Buried Cable Acct 2433	IntraBldg Network Cable Acct 2435	Aerial Wire Acct 2431	Conduit Systems Acct 2441	Total
I. Unit Cost and Investment																
STP/SCP Signalling Link																
Unit Investment					0.0096100											0.0096100
Unit Costs																
Depreciation					0.0007219											0.0007219
Net Return					0.0002032											0.0002032
Federal Income Tax					0.0001047											0.0001047
State & Local Income Tax					0.0000185											0.0000185
Maintenance					0.0000027											0.0000027
Administration					0.0003156											0.0003156
Other Tax					0.0000492											0.0000492
Other Direct Expense					None											None
Overhead Loadings					None											None
Total					0.0020117											0.0020117
Local STP/Regional STP Signalling Link																
Unit Investment					0.0005750											0.0005750
Unit Costs																
Depreciation					0.0001180											0.0001180
Net Return					0.0000324											0.0000324
Federal Income Tax					0.0000167											0.0000167
State & Local Income Tax					0.0000029											0.0000029
Maintenance					0.0000980											0.0000980
Administration					0.0000503											0.0000503
Other Tax					0.0000072											0.0000072
Other Direct Expense					0.0003716											0.0003716
Overhead Loadings					None											None
Total					0.0006921											0.0006921
SCP/SMB Signalling Link																
Unit Investment					None											None
Unit Costs																
Depreciation					None											None
Net Return					None											None
Federal Income Tax					None											None
State & Local Income Tax					None											None
Maintenance					0.0000438											0.0000438
Administration					None											None
Other Tax					None											None
Other Direct Expense					0.0002180											0.0002180
Overhead Loadings					None											None
Total					0.0002565											0.0002565
SCP																
Unit Investment					0.0091400											0.0091400
Unit Costs																
Depreciation					0.0018279											0.0018279
Net Return					0.0005144											0.0005144
Federal Income Tax					0.0002980											0.0002980
State & Local Income Tax					0.0000464											0.0000464
Maintenance					0.0015239											0.0015239
Administration					0.0007991											0.0007991
Other Tax					0.0001148											0.0001148
Other Direct Expense					None											None
Overhead Loadings					None											None
Total					0.0050935											0.0050935
Tandem Switch																
Unit Investment																None
Unit Costs																
Depreciation																None
Net Return																None
Federal Income Tax																None
State & Local Income Tax																None
Maintenance																None
Administration																None
Other Tax																None
Other Direct Expense																None
Overhead Loadings																None
Total																None

Unit Investment	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Unit Costs																
Depreciation					None											None
Net Return					None											None
Federal Income Tax					None											None
State & Local Income Tax					None											None
Maintenance					None											None
Administration					None											None
Other Tax					None											None
Other Direct Expense					0.0023142											0.0023142
Overhead Loadings					None											None
Total					0.0023142											0.0023142

## II. Jurisdictional Separations

### STP/SCP Signalling Link

Total Investment *					\$60,123											\$60,123
Total Company *					\$60,123											\$60,123
Subject to Separation *					\$60,123											\$60,123
State 800 Database **					\$48,521											\$48,521
State Other **					\$3,768											\$3,768
Interstate 800 Database **					\$9,097											\$9,097
Interstate Other **					\$737											\$737

### Method of Assignment

#### Local STP/Regional STP Signalling Link

Total Investment					None											None
Total Company					None											None
Subject to Separation					None											None
State 800 Database					None											None
State Other					None											None
Interstate 800 Database					None											None
Interstate Other					None											None

### Method of Assignment

#### SCP/IMS Signalling Link

Total Investment																None
Total Company																None
Subject to Separation																None
State 800 Database																None
State Other																None
Interstate 800 Database																None
Interstate Other																None

### Method of Assignment

SCP																
Total Investment *					\$145,803											\$145,803
Total Company *					\$145,803											\$145,803
Subject to Separation *					\$145,803											\$145,803
State 800 Database **					\$117,734											\$117,734
State Other **					\$4,304											\$4,304
Interstate 800 Database **					\$23,024											\$23,024
Interstate Other **					\$642											\$642

### Method of Assignment

\* In actuality, these assets are owned by SLMC, not United of Indiana. The investment dollars shown reflect the allocation of a portion of SLMC's investment to United Telephone Indiana, based upon Indiana's query volume.  
 \*\* The Commission's Part 36 and 60 rules do not specify any cost allocation rules to disaggregate investment between 800 and other. The allocations shown in the exhibit were based on relative 800 and other (LDIS & Calling Name) queries.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Land	Buildings	General	Audio	Digital	Radio	Circuit	Other	Poles	Aerial	Underground	Built	IntraBldg	Aerial	Conduit	Total
Acct 2111	Acct 2121	Purpose	Switching	Switching	System	Equipment	Terminal	Acct 2411	Cable	Cable	Cable	Network	Wire	Systems	
		Acct 2124	Acct 2211	Acct 2212	Acct 2231	Acct 2232	Acct 2332	Acct 2411	Acct 2421	Acct 2422	Acct 2423	Acct 2426	Acct 2431	Acct 2441	

Tandem Switch															
Total Investment															None
Total Company															None
Subject to Separation															None
State 800 Database															None
State Other															None
Intrastate 800 Database															None
Intrastate Other															None

Method of Assignment															
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SSP															
Total Investment															None
Total Company															None
Subject to Separation															None
State 800 Database															None
State Other															None
Intrastate 800 Database															None
Intrastate Other															None

Method of Assignment

United Telephone—Indiana

A

III. Demand

Total

800 Database Queries	
State 800 Database	
State Other	
Intrastate 800 Database	
Intrastate Other	
Base Period Demand	19,644,670
Estimated Demand	77,324,415
Time Period	5 Yrs
Discount Rate	11.2800%

INFORMATION REQUEST FOR 800 DATABASE SERVICE EXOGENOUS COSTS

Carolina Telephone	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	Land Acct 2111	Buildings Acct 2121	General Purpose Computers Acct 2124	Analog Switching Acct 2211	Digital Switching Acct 2212	Radio System Acct 2231	Circuit Equipment Acct 2232	Other Terminal Equipment Acct 2362	Poles Acct 2411	Aerial Cable Acct 2421	Underground Cable Acct 2422	Buried Cable Acct 2423	IntraBldg Network Cable Acct 2426	Aerial Wire Acct 2431	Conduit Systems Acct 2441	Total
I. Unit Cost and Investment																
STP/SCP Signalling Link																
Unit Investment					0.0086100											0.0086100
Unit Costs																
Depreciation					0.0007220											0.0007220
Net Return					0.0002091											0.0002091
Federal Income Tax					0.0001047											0.0001047
State & Local Income Tax					0.0000285											0.0000285
Maintenance					0.0006182											0.0006182
Administration					0.0002548											0.0002548
Other Tax					0.0000206											0.0000206
Other Direct Expense					None											None
Overhead Loadings					None											None
Total					0.0019502											0.0019502
Local STP/Regional STP Signalling Link																
Unit Investment					0.0002400											0.0002400
Unit Costs																
Depreciation					0.0000480											0.0000480
Net Return					0.0000135											0.0000135
Federal Income Tax					0.0000070											0.0000070
State & Local Income Tax					0.0000018											0.0000018
Maintenance					0.0000411											0.0000411
Administration					0.0000189											0.0000189
Other Tax					0.0000014											0.0000014
Other Direct Expense					0.0001135											0.0001135
Overhead Loadings					None											None
Total					0.0002432											0.0002432
SCP/SMS Signalling Link																
Unit Investment																None
Unit Costs																
Depreciation					None											None
Net Return					None											None
Federal Income Tax					None											None
State & Local Income Tax					None											None
Maintenance					0.0000438											0.0000438
Administration					None											None
Other Tax					None											None
Other Direct Expense					0.0002180											0.0002180
Overhead Loadings					None											None
Total					0.0002385											0.0002385
SCP																
Unit Investment					0.0091400											0.0091400
Unit Costs																
Depreciation					0.0018280											0.0018280
Net Return					0.0005148											0.0005148
Federal Income Tax					0.0002680											0.0002680
State & Local Income Tax					0.0000671											0.0000671
Maintenance					0.0015882											0.0015882
Administration					0.0006482											0.0006482
Other Tax					0.0000528											0.0000528
Other Direct Expense					None											None
Overhead Loadings					None											None
Total					0.0048377											0.0048377
Tandem Switch																
Unit Investment																None
Unit Costs																
Depreciation					None											None
Net Return					None											None
Federal Income Tax					None											None
State & Local Income Tax					None											None
Maintenance					None											None
Administration					None											None
Other Tax					None											None
Other Direct Expense					None											None
Overhead Loadings					None											None
Total					None											None

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	Land Acct 2111	Buildings Acct 2121	General Purpose Computers Acct 2124	Analog Switching Acct 2211	Digital Switching Acct 2212	Radio System Acct 2231	Circuit Equipment Acct 2232	Other Terminal Equipment Acct 2382	Poles Acct 2411	Aerial Cable Acct 2421	Underground Cable Acct 2422	Buried Cable Acct 2423	IntraBldg Network Cable Acct 2428	Aerial Wire Acct 2431	Conduit Systems Acct 2441	Total
SSP																
Unit Investment					None											None
Unit Costs																
Depreciation					None											None
Net Return					None											None
Federal Income Tax					None											None
State & Local Income Tax					None											None
Maintenance					None											None
Administration					None											None
Other Tax					None											None
Other Direct Expense					0.0007234											0.0007234
Overhead Loadings					None											None
Total					0.0007234											0.0007234

## II. Jurisdictional Separations

### STP/SCP Signalling Link

Total Investment *					\$720,341											\$720,341
Total Company *					\$720,341											\$720,341
Subject to Separation *					\$720,341											\$720,341
State 800 Database **					\$520,767											\$520,767
State Other **					\$83,527											\$83,527
Interstate 800 Database **					\$100,007											\$100,007
Interstate Other **					\$16,040											\$16,040

Method of Assignment					Cat 3											
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### Local STP/Regional STP Signalling Link

Total Investment					\$48,000											\$48,000
Total Company					\$48,000											\$48,000
Subject to Separation					\$48,000											\$48,000
State 800 Database					\$34,701											\$34,701
State Other					\$5,566											\$5,566
Interstate 800 Database					\$8,684											\$8,684
Interstate Other					\$1,089											\$1,089

Method of Assignment					Cat 3											
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### SCP/SMS Signalling Link

Total Investment																None
Total Company																None
Subject to Separation																None
State 800 Database																None
State Other																None
Interstate 800 Database																None
Interstate Other																None

Method of Assignment																
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### SCP

Total Investment *					\$1,781,974											\$1,781,974
Total Company *					\$1,781,974											\$1,781,974
Subject to Separation *					\$1,781,974											\$1,781,974
State 800 Database **					\$1,317,948											\$1,317,948
State Other **					\$176,860											\$176,860
Interstate 800 Database **					\$253,065											\$253,065
Interstate Other **					\$33,981											\$33,981

Method of Assignment					CAT 3											
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\* In actuality, these assets are owned by SUMC, Carolina Telephone. The investment dollars shown reflect the allocation of a portion of SUMC's investment to Carolina Telephone, based upon Carolina's query volumes.

\*\* The Commission's Part 38 and 69 Rules do not specify any cost allocation rules to disaggregate investment between 800 and other. The allocations shown in this exhibit were based on relative 800 and other (LDB & Calling Name) queries.

Carolina Telephone III. Demand	A	Total
800 Database Queries		
State 800 Database		
State Other		
Intermediate 800 Database		
Intermediate Other		
Base Related Demand	165,579,981	
Estimated Demand	859,980,825	
Time Period	5 Yrs	
Discount Rate	11.2500%	



INFORMATION REQUEST FOR 600 DATABASE SERVICE EXOGENOUS COSTS

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	Land Acct 2111	Buildings Acct 2121	General Purpose Computers Acct 2124	Analog Switching Acct 2211	Digital Switching Acct 2212	Radio System Acct 2231	Circuit Equipment Acct 2232	Other Terminal Equipment Acct 2302	Poles Acct 2411	Aerial Cable Acct 2421	Underground Cable Acct 2432	Buried Cable Acct 2433	IntraBldg Network Cable Acct 2435	Aerial Wire Acct 2431	Conduit Systems Acct 2441	Total
<b>I. Unit Cost and Investment</b>																
<b>STP/SCP Signalling Link</b>																
Unit Investment					0.0096100											0.0096100
<b>Unit Costs</b>																
Depreciation					0.0007220											0.0007220
Net Return					0.0002092											0.0002092
Federal Income Tax					0.0001047											0.0001047
State & Local Income Tax					0.0000000											0.0000000
Maintenance					0.0006026											0.0006026
Administration					0.0002641											0.0002641
Other Tax					0.0000902											0.0000902
Other Direct Expense					None											None
Overhead Loadings					None											None
Total					0.0019808											0.0019808
<b>Local STP/Regional STP Signalling Link</b>																
Unit Investment					0.0005750											0.0005750
<b>Unit Costs</b>																
Depreciation					0.0001150											0.0001150
Net Return					0.0000324											0.0000324
Federal Income Tax					0.0000167											0.0000167
State & Local Income Tax					0.0000000											0.0000000
Maintenance					0.0000860											0.0000860
Administration					0.0000421											0.0000421
Other Tax					0.0000144											0.0000144
Other Direct Expense					0.0003716											0.0003716
Overhead Loadings					None											None
Total					0.0005661											0.0005661
<b>SCP/BMS Signalling Link</b>																
Unit Investment																None
<b>Unit Costs</b>																
Depreciation					None											None
Net Return					None											None
Federal Income Tax					None											None
State & Local Income Tax					None											None
Maintenance					0.0000436											0.0000436
Administration					None											None
Other Tax					None											None
Other Direct Expense					0.0002150											0.0002150
Overhead Loadings					None											None
Total					0.0002586											0.0002586
<b>SCP</b>																
Unit Investment					0.0081400											0.0081400
<b>Unit Costs</b>																
Depreciation					0.0016280											0.0016280
Net Return					0.0005144											0.0005144
Federal Income Tax					0.0002850											0.0002850
State & Local Income Tax					0.0000000											0.0000000
Maintenance					0.0013257											0.0013257
Administration					0.0006668											0.0006668
Other Tax					0.0002284											0.0002284
Other Direct Expense					None											None
Overhead Loadings					None											None
Total					0.0050304											0.0050304
<b>Tandem Switch</b>																
Unit Investment																None
<b>Unit Costs</b>																
Depreciation																None
Net Return																None
Federal Income Tax																None
State & Local Income Tax																None
Maintenance																None
Administration																None
Other Tax																None
Other Direct Expense																None
Overhead Loadings																None
Total																None